

REPORT
REGISTRARS OF VOTERS
EMPLOYEES' RETIREMENT SYSTEM
(STATE OF LOUISIANA)

JUNE 30, 2006 AND 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2/7/07

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
(STATE OF LOUISIANA)

TABLE OF CONTENTS

JUNE 30, 2006 AND 2005

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT.....	1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3 - 6
FINANCIAL STATEMENTS:	
Statements of Plan Net Assets.....	7
Statements of Changes in Plan Net Assets.....	8
Notes to Financial Statements	9 - 19
SUPPLEMENTARY INFORMATION:	
Statements of Changes in Reserve Balances - Retirement System Trust Fund	20 - 21
Schedules of Investments	22 - 23
Schedules of Administrative Expenses.....	24
Schedules of Per Diem Paid Trustees	25
REQUIRED SUPPLEMENTARY INFORMATION:	
Schedule of Contributions - Employer and Other Sources.....	26
Notes to Schedule of Contributions	27
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.....	28 - 29



DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

1340 Poydras St., Suite 2000 - New Orleans, LA 70112

(504) 586-8866

FAX (504) 525-5888

cpa@dhmcpa.com

MICHAEL J. O'ROURKE, C.P.A.
WILLIAM G. STAMM, C.P.A.
CLIFFORD J. GIFFIN, JR., C.P.A.
DAVID A. BURGARD, C.P.A.
LINDSAY J. CALUB, C.P.A., L.L.C.
GUY L. DUPLANTIER, C.P.A.
MICHELLE H. CUNNINGHAM, C.P.A.
DENNIS W. DILLON, C.P.A.

ANN M. HARGES, C.P.A.
ROBIN A. STROHMEYER, C.P.A.

KENNETH J. BROOKS, C.P.A., ASSOCIATE

A.J. DUPLANTIER JR., C.P.A.
(1919-1985)
FELIX J. HRAPMANN, JR., C.P.A.
(1919-1990)
WILLIAM R. HOGAN, JR., C.P.A.
(1920-1996)
JAMES MAHER, JR., C.P.A.
(1921-1999)

MEMBERS
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INDEPENDENT AUDITOR'S REPORT

December 7, 2006

Board of Trustees
Registrars of Voters Employees'
Retirement System of Louisiana
P. O. Box 57
Jennings, LA 70546

We have audited the accompanying statements of plan net assets of the Registrars of Voters Employees' Retirement System as of June 30, 2006 and 2005, and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Registrars of Voters Employees' Retirement System as of June 30, 2006 and 2005 and the results of operations and changes in net assets for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis on Pages 3 through 6 is not a required part of the basic financial statements but is supplementary information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

We have audited the financial statements of the System for the years ending June 30, 2006 and 2005 and issued our unqualified opinion on such financial statements. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The required supplemental information on pages 26-27 and the supplemental schedules listed on pages 20-25 are presented for the purposes of additional analysis and are not a part of the basic financial statements. The required supplemental information for the years ending June 30, 2001 - 2006 and supplemental schedules for the years ending June 30, 2006 and 2005 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 7, 2006 on our consideration of the Registrars of Voters Employees' Retirement System's internal control over financial reporting and on its compliance with laws and regulations. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Duplantier, Hrapmann, Hogan & Maher, LLP

REGISTRARS OF VOTERS
EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006

The Management's Discussion and Analysis of the Registrars of Voters Employees' Retirement System of Louisiana presents a narrative overview and analysis of the System's financial activities for the year ended June 30, 2006. This document focuses on the current year's activities, resulting changes, currently known facts in comparison with the prior year's information. Please read this document in conjunction with the information contained in the Registrars of Voters Employees' Retirement System of Louisiana's financial statements, which begin on page 7.

FINANCIAL HIGHLIGHTS

- » The Registrars of Voters Employees' Retirement System's assets exceeded its liabilities at the close of fiscal year 2006 by \$56,360,077 which represents an increase from last year. The net assets held in trust for pension benefits increased by \$2,991,727 or 5.60%. The increase was primarily due to an improved investment performance.
- » Contributions to the System by members, employers and tax revenues totaled \$2,991,399, an increase of \$431,319 or 16.85%.
- » Pension benefits paid to retirees and beneficiaries increased by \$520,001 or 24.97%. This increase is due to new retirements.
- » Administrative expenses of the System totaled \$141,067, a decrease of \$8,194 or 5.49%.
- » Investment income was \$2,752,434 for the year ended June 30, 2006. This is a decrease of 18.25% from the prior year. This decrease is due to a slowing in the investment markets.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the System's basic financial statements, which are comprised of three components:

- » Statement of plan net assets
- » Statement of changes in plan net assets, and
- » Notes to the financial statements.

This report also contains required supplemental information in addition to the basic financial statements themselves.

The statement of plan net assets reports the system's assets, liabilities, and resultant net assets held in trust for pension benefits. It discloses the financial position of the System as of June 30, 2006 and 2005.

REGISTRARS OF VOTERS
EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006

The statement of changes in plan net assets reports the results of the system's operations during the year disclosing the additions to and deductions from the plan net assets. It supports the change that has occurred to the prior year's net asset value on the statement of plan net assets.

FINANCIAL ANALYSIS OF THE SYSTEM

Registrars of Voters Employees' Retirement System provides benefits for registrars of voters, their deputies and their permanent employees in each parish of the State of Louisiana. Member contributions, employer contributions and earnings on investments fund these benefits.

Statements of Plan Net Assets
June 30, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Cash	\$ 1,408,491	\$ 1,170,047
Receivables	508,097	476,420
Investments	54,537,912	51,774,336
Property and equipment	<u>2,531</u>	<u>3,839</u>
Total assets	56,457,031	53,424,642
 Total liabilities	 <u>96,954</u>	 <u>56,292</u>
 Net Assets Held in Trust		
For Pension Benefits	\$ <u>56,360,077</u>	\$ <u>53,368,350</u>

Plan net assets increased by \$2,991,721 or 5.60%. The increase in plan net assets was a result of the investment performance in 2006.

REGISTRARS OF VOTERS
EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006

Statements of Changes in Plan Net Assets
For the Years Ended June 30, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Additions:		
Contributions	\$ 2,991,399	\$ 2,560,080
Investment income	2,752,434	3,366,920
Other	<u>20,099</u>	<u>11,433</u>
Total additions	5,763,932	5,938,433
Total Deductions	<u>2,772,205</u>	<u>2,260,308</u>
Increase in Plan Net Assets	\$ <u>2,991,727</u>	\$ <u>3,678,125</u>

Additions to Plan Net Assets

Additions to the System's plan net assets were derived from member contributions, employer contributions and ad valorem taxes and state revenue sharing funds, and investment income. The System experienced a net investment income of \$2,752,434. The investment income was primarily due to market performance in the current year.

	<u>2006</u>	<u>2005</u>	Increase (Decrease) Percentage
Member Contributions	\$ 565,350	\$ 533,915	5.89%
Employer Contributions	1,019,581	682,994	49.28
Ad Valorem & State Revenue Sharing	1,406,468	1,343,171	4.71%
Net Investment Income	2,752,434	3,366,920	(18.25)%
Other	<u>20,099</u>	<u>11,433</u>	75.80%
	\$ <u>5,763,932</u>	\$ <u>5,938,433</u>	

Deductions from Plan Net Assets

Deductions from plan net assets include mainly retirement, death and survivor benefits and administrative expenses. Deductions from plan net assets totaled \$2,772,205 in fiscal year 2006. The increase of \$511,897 from the previous year is primarily due to an increase in benefits paid during fiscal year end June 30, 2006.

REGISTRARS OF VOTERS
EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006

	<u>2006</u>	<u>2005</u>	<u>Increase (Decrease) Percentage</u>
Retirement Benefits	\$ 2,602,604	\$ 2,082,603	24.97%
Refunds of Contributions	27,226	27,169	0.21%
Administrative Expenses	141,067	149,261	(5.49)%
Depreciation	<u>1,308</u>	<u>1,275</u>	2.59%
	<u>\$ 2,772,205</u>	<u>\$ 2,260,308</u>	

Investments

Registrars of Voters Employees' Retirement System is responsible for the prudent management of funds held in trust for the exclusive benefits of their members' pension benefits. Funds are invested to achieve maximum returns without exposing retirement assets to unacceptable risks. Total investments at June 30, 2006 amounted to \$54,537,912 as compared to \$51,774,336 at June 30, 2005. The System's investments in various markets at the end of the 2006 and 2005 fiscal years are indicated in the following table:

	<u>2006</u>	<u>2005</u>	<u>Increase (Decrease) Percentage</u>
Cash Equivalents	\$ 1,763,979	\$ 2,102,792	16.11%
Bonds	22,611,540	23,016,959	(1.76)%
Equities	21,790,332	20,298,931	7.35%
Mutual Fund	<u>8,372,061</u>	<u>6,355,654</u>	31.73%
	<u>\$ 54,537,912</u>	<u>\$ 51,774,336</u>	

Requests for Information

Questions concerning any of the information provided or requests for additional financial information should be addressed to Lorraine Dees, Executive Director, Registrars of Voters Employees' Retirement System of Louisiana, P. O. Box 57, Jennings, LA 70546.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
STATEMENTS OF PLAN NET ASSETS
JUNE 30, 2006 AND 2005

	2006			2005		
	Retirement System Trust Fund	Members' Supplemental Savings Trust Fund	Total (Memorandum Only)	Retirement System Trust Fund	Members' Supplemental Savings Trust Fund	Total (Memorandum Only)
ASSETS						
CASH:						
In bank (Note 6)	\$ 1,408,491	\$ -	\$ 1,408,491	\$ 1,170,047	\$ -	\$ 1,170,047
RECEIVABLES:						
Member contributions (Note 1)	57,774	-	57,774	51,015	-	51,015
Employer contributions	101,248	-	101,248	69,234	-	69,234
Due from retiree	2,000	-	2,000	2,000	-	2,000
Ad valorem and revenue sharing receivable	60,994	-	60,994	76,876	-	76,876
Accrued interest and dividends	275,834	10,247	286,081	268,281	9,014	277,295
Total receivables	497,850	10,247	508,097	467,406	9,014	476,420
INVESTMENTS AT FAIR VALUE:						
(Pages 22 and 23) (Notes 1 and 6)						
Cash equivalents	1,622,515	141,464	1,763,979	1,960,635	142,157	2,102,792
Corporate bonds	13,666,120	-	13,666,120	13,823,757	-	13,823,757
Government bonds	7,991,869	953,551	8,945,420	8,181,056	1,012,146	9,193,202
Marketable securities	21,790,332	-	21,790,332	20,298,931	-	20,298,931
Mutual funds	7,961,901	410,160	8,372,061	5,951,342	404,312	6,355,654
Total investments	53,032,737	1,505,175	54,537,912	50,215,721	1,558,615	51,774,336
FURNITURE AND EQUIPMENT:						
(Notes 1 and 7)						
(Net of accumulated depreciation - \$21,926 for 2006 and \$20,618 for 2005)	2,531	-	2,531	3,839	-	3,839
Total assets	54,941,609	1,515,422	56,457,031	51,857,013	1,567,629	53,424,642
LIABILITIES:						
Accounts payable	69,747	-	69,747	54,640	-	54,640
Retirement withholding	27,207	-	27,207	1,652	-	1,652
Total liabilities	96,954	-	96,954	56,292	-	56,292
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	\$ 54,844,655	\$ 1,515,422	\$ 56,360,077	\$ 51,800,721	\$ 1,567,629	\$ 53,368,350

See accompanying notes.

**REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
STATEMENTS OF CHANGES IN PLAN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005**

	2006			2005		
	Retirement System Trust Fund	Members' Supplemental Savings Trust Fund	Total (Memorandum Only)	Retirement System Trust Fund	Members' Supplemental Savings Trust Fund	Total (Memorandum Only)
ADDITIONS: (Note 1)						
Contributions:						
Members	\$ 565,350	\$ -	\$ 565,350	\$ 533,915	\$ -	\$ 533,915
Employers	1,019,581	-	1,019,581	682,994	-	682,994
Tax revenue	1,406,468	-	1,406,468	1,343,171	-	1,343,171
Total contributions	<u>2,991,399</u>	<u>-</u>	<u>2,991,399</u>	<u>2,560,080</u>	<u>-</u>	<u>2,560,080</u>
Investment income:						
Net appreciation						
in fair value of investments	1,135,605	18,262	1,153,867	1,822,400	26,008	1,848,408
Interest	1,312,761	46,430	1,359,191	1,330,974	40,613	1,371,587
Dividends	488,130	-	488,130	380,473	-	380,473
	<u>2,936,496</u>	<u>64,692</u>	<u>3,001,188</u>	<u>3,533,847</u>	<u>66,621</u>	<u>3,600,468</u>
Less: Investment advisory services	204,467	-	204,467	193,073	-	193,073
Investment consulting fees	19,750	-	19,750	19,750	-	19,750
Custodial fees	24,537	-	24,537	20,725	-	20,725
Net investment income	<u>2,687,742</u>	<u>64,692</u>	<u>2,752,434</u>	<u>3,300,299</u>	<u>66,621</u>	<u>3,366,920</u>
Other additions:						
Miscellaneous income	16,936	3,163	20,099	8,438	2,995	11,433
Total other additions	<u>16,936</u>	<u>3,163</u>	<u>20,099</u>	<u>8,438</u>	<u>2,995</u>	<u>11,433</u>
Total additions	<u>5,696,077</u>	<u>67,855</u>	<u>5,763,932</u>	<u>5,868,817</u>	<u>69,616</u>	<u>5,938,433</u>
DEDUCTIONS: (Note 1)						
Pensions payments	2,482,542	120,062	2,602,604	2,011,205	71,398	2,082,603
Refund of contributions	27,226	-	27,226	27,169	-	27,169
Administrative expenses (Page 24)	141,067	-	141,067	149,261	-	149,261
Depreciation	1,308	-	1,308	1,275	-	1,275
Total deductions	<u>2,652,143</u>	<u>120,062</u>	<u>2,772,205</u>	<u>2,188,910</u>	<u>71,398</u>	<u>2,260,308</u>
NET INCREASE (DECREASE)	3,043,934	(52,207)	2,991,727	3,679,907	(1,782)	3,678,125
PLAN NET ASSETS AT						
BEGINNING OF YEAR	<u>51,800,721</u>	<u>1,567,629</u>	<u>53,368,350</u>	<u>48,120,814</u>	<u>1,569,411</u>	<u>49,690,225</u>
PLAN NET ASSETS AT END OF YEAR	<u>\$ 54,844,655</u>	<u>\$ 1,515,422</u>	<u>\$ 56,360,077</u>	<u>\$ 51,800,721</u>	<u>\$ 1,567,629</u>	<u>\$ 53,368,350</u>

See accompanying notes.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

The Registrars of Voters Employees' Retirement System (System) was established as of January 1, 1955 by Act 215 of 1954, under R.S. Title 11:2032, as amended, for the purpose of providing retirement allowances and other benefits for registrars of voters, their deputies and their permanent employees in each parish of the State of Louisiana. The fund is administered by a board of trustees. Benefits, including normal retirement, early retirement, disability retirements and death benefits, are provided as specified in the plan.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Registrars of Voters Employees' Retirement System prepares its financial statements in accordance with the standards established by the Governmental Accounting Standards Board (GASB) as the successor to the National Council on Governmental Accounting (NCGA).

Basis of Accounting:

Registrars of Voters Employees' Retirement System's financial statements are prepared using the accrual basis of accounting. Employee contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Interest income is recognized when earned. Ad valorem taxes and revenue sharing monies are recognized in the year appropriated by the Legislature.

Method Used to Value Investments:

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Furniture and Equipment:

Furniture and equipment of the System are accounted for and capitalized in the Pension Fund. Depreciation of fixed assets is recorded as an expense in the Pension Fund. All fixed assets are valued on the basis of historical cost and depreciated using the straight-line method of depreciation over its estimated useful life.

Memorandum Only Column:

The total columns on the Statement of Plan Net Assets and Statement of Changes in Plan Net Assets are captioned memorandum only to indicate that they are presented to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

2. PLAN DESCRIPTION:

The Registrars of Voters Employees' Retirement System is the administrator of a cost-sharing multiple-employer plan (Retirement System Trust Fund) and a Savings Plan (Members' Supplemental Savings Trust Fund). The System was established on the first day of January, nineteen hundred and fifty-five for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. Title 11:2032, as amended, for registrars of voters, their deputies and their permanent employees in each parish. At June 30, 2006 and 2005, statewide retirement membership consists of:

	<u>2006</u>	<u>2005</u>
Current retirees and beneficiaries	126	122
Terminated members due a benefit	5	5
Terminated members due a refund	17	17
Fully vested, partially vested, and nonvested active employees covered	203	203
DROP participants	<u>20</u>	<u>24</u>
 Total participants as of the valuation date	 <u>373</u>	 <u>371</u>

Retirement System Trust Fund:

Any member is eligible for normal retirement after he has 20 years of creditable service and is age 55 or has 10 years of creditable service and is age 60. Any member with 30 years of creditable service regardless of age may retire. Regular retirement benefits are 3.33% of the average final compensation multiplied by the number of years of creditable service, not to exceed 100% of average final compensation.

Any member whose withdrawal from service occurs prior to attaining the age of sixty years, who shall have completed ten or more years of creditable service and shall not have received a refund of his accumulated contributions, shall become eligible for a deferred allowance beginning upon his attaining the age of sixty years.

Disability benefits are awarded to active contributing members with at least 10 years of service established in the System and who have been officially certified as disabled by the State Medical Disability Board. The disabled member who has attained the age of sixty years shall be entitled to a regular retirement allowance. The disabled member who has not yet attained age sixty shall be entitled to a disability benefit equal to the lesser of three percent of his average final compensation multiplied by the number of creditable years of service (not to be less than fifteen years) or three and one third percent of average final compensation multiplied by the years of service assuming continued service to age sixty. Disability benefits may not exceed two-thirds of earnable compensation.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

2. PLAN DESCRIPTION: (Continued)

If a member who has less than five years of credited service dies due to any cause other than injuries sustained in the performance of his official duties, his accumulated contributions are paid to his designated beneficiary. If the member has five or more years of credited service, and is not eligible to retire, automatic option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with option 2 factors used as if the member had continued in service to earliest normal retirement age. If a member has no surviving spouse and the member has five or more years of creditable service, the surviving minor children under 18 or disabled children shall be paid 80% of the accrued retirement benefit in equal shares until the age of majority or for the duration of the handicap for a handicapped child. Upon the death of any former member with 10 or more years of service, automatic option 2 benefits are payable to the surviving spouse. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions.

In lieu of terminating employment and accepting a service retirement allowance, any member with eleven or more years of service at age sixty-one, twenty-one or more years of service at age fifty-six, or thirty-one or more years of service at any age may elect to participate in the Deferred Retirement Option Plan (DROP) for up to three years and defer the receipt of benefits. Upon commencement of participation in the plan, membership in the System terminates. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would have been payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP fund. This fund does not earn interest. In addition, no cost of living increases are payable to participants until employment which made them eligible to become members of the System has been terminated for at least one full year.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the plan may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the Board of Trustees. The monthly benefits that were being paid into the Deferred Retirement Option Plan fund will begin to be paid to the retiree. If the participant dies during the participation in the plan, a lump sum equal to his account balance in the plan fund shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the plan fund cease and the person resumes active contributing membership in the System.

The Retirement System Trust Fund is financed by employee contributions of 7% of earnable compensation. In addition, each sheriff and ex-officio tax collector remits the employer's share of the actuarially required contribution to fund the System up to a maximum of one-sixteenth of one percent of the aggregate amount of the tax shown to be collected by the tax roll of each respective parish. Should employee contributions and tax monies be insufficient to fund the System as required by R.S. 11:22 employers contribute the additional amount.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

2. PLAN DESCRIPTION: (Continued)

Cost of living provisions for the System are detailed in R.S. 11:2073 and R.S. 11:246. R.S. 11:2073 allows the board of trustees to provide an annual cost of living increase of 3% of the retiree's original benefit from interest earnings on investments in excess of the valuation interest rate. This applies only to members who have been retired for at least two years. Louisiana statutes also allow the board of trustees to grant an additional cost of living increase to all retirees and beneficiaries over age 65 equal to two percent of the benefit paid on October 1, 1977, (or the member's retirement date, if later). This raise may only be granted from investment earnings in excess of the valuation interest rate of eight percent.

In lieu of granting a cost of living increase as described above, Louisiana statutes allow the board to grant a cost of living increase where the benefits shall be calculated using the number of years of service at retirement or at death plus the number of years since retirement or death multiplied by the cost of living amount not to exceed \$1.

In order to grant any cost of living increase, the ratio of the actuarial value of assets to the pension benefit obligation must equal or exceed a statutory target ratio defined in R.S. 11:242.

Members' Supplemental Savings Trust Fund:

The Members' Supplemental Savings Trust Fund (Fund) was established by LRS 11:2139 as a defined contribution plan. All registrars of voters, their deputies and active permanent employees participate in the plan. As of June 30, 2006 and 2005 the number of participants in the plan is 192 and 191, respectively.

In accordance with state statute funds contributed to the System in excess of those required contributions to the Retirement Fund employer reserve, as established by the Public Retirement Systems' Actuarial Committee, are deposited in the Members' Supplemental Savings Fund. The amount of funds deposited with the Members' Supplemental Savings Fund is three percent of the salaries paid during the preceding fiscal year to members who were still employed by the employer at the end of the fiscal year unless the Public Retirement Systems' Actuarial Committee recommends a lesser percentage based on available funds and the requirements of the Defined Benefit Plan. As of June 30, 2006 and 2005, there were 63 active employers participating in the Fund. There were no contributions to the Member's Supplemental Savings Fund for the years ending June 30, 2006 and 2005.

Should any member of the System terminate membership in the System due to resignation, retirement, disability, death, or for any other reason involving termination of employment, he shall be entitled to payment of all contributions and interest or other earnings or losses credited to his account as of the date of payment, provided he remains out of service until such time as the payments are required to be paid. Payment to the member is made at the end of the calendar quarter following the quarter in which the member terminates.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

2. PLAN DESCRIPTION: (Continued)

Interest, dividends and realized gains or losses shall be allocated at least once each year on the valuation date or dates of the fund. Such earnings or losses shall be allocated to members in proportion to their account balances as of the first day of the period for which the earnings are credited, reduced by any distribution from such account during the valuation period.

3. CONTRIBUTIONS AND RESERVES:

Contributions:

Contributions for all members are established by state statute at 7.0% of earnable compensation. The contribution is deducted from the member's salary and remitted by the participating registrar.

According to state statute, contribution requirements for all employers are actuarially determined each year. For the years ending June 30, 2006 and 2005, the actual employer contribution rate was 11.00% and 8.25%, respectively. For the years ended June 30, 2006 and 2005, the actuarially determined employer contribution rate was 11.32% and 10.81%, respectively. The actual rate is less than the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective. The difference in the actuarial required rate and the actual rate will increase the Fund's future normal cost accrual rate.

In accordance with state statute the fund receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions.

Administrative costs of the System are financed through ad valorem taxes and state revenue sharing monies.

Reserves:

Use of the term "reserve" by the System indicates that a portion of the fund balance is legally restricted for a specific future use. The nature and purpose of the reserves are explained below:

A) Deferred Retirement Option Plan:

The Deferred Retirement Option Account consists of the reserves for all members who upon eligibility elect to deposit into this account an amount equal to the member's monthly benefit if he had retired. A member can only participate in the program for three years, and upon termination may receive his benefits in a lump sum payment or by a true annuity. The Deferred Retirement Option Account as of June 30, 2006 and 2005 is \$2,409,925 and \$2,093,860, respectively. The Deferred Retirement Option Account is fully funded.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

3. CONTRIBUTIONS AND RESERVES: (Continued)

B) Annuity Savings:

The Annuity Savings is credited with contributions made by members of the System. When a member terminates his service or upon his death, before qualifying for a benefit, the refund of his contributions is made from this fund. If a member dies and there is a survivor who is eligible for a benefit, the amount of the member's accumulated contributions is transferred from the Annuity Savings to the Annuity Reserve. When a member retires, the amount of his accumulated contributions is transferred to the Annuity Reserve to provide part of the benefits payable from that fund. The Annuity Savings as of June 30, 2006 and 2005 is \$4,317,076 and \$4,141,316, respectively. The Annuity Savings is fully funded.

C) Pension Accumulation:

The Pension Accumulation consists of contributions paid by employers, interest earned on investments and any other income not covered by other accounts. This fund is charged annually with an amount, determined by the actuary, to be transferred to the Annuity Reserve to fund retirement benefits for existing recipients. It is also relieved when expenditures are not covered by other accounts. The Pension Accumulation as of June 30, 2006 and 2005 is \$28,285,762 and \$26,775,454, respectively. The Pension Accumulation is fully funded for the years ending June 30, 2006 and 2005.

D) Annuity Reserve:

The Annuity Reserve consists of the reserves for all pensions, excluding cost-of-living increases, granted to members and is the fund from which such pensions and annuities are paid. Survivors of deceased beneficiaries also receive benefits from this fund. The Annuity Reserve as of June 30, 2006 and 2005 is \$18,467,355 and \$16,454,333, respectively. The Annuity Reserve is fully funded.

E) Members' Supplemental Savings:

The Members' Supplemental Savings consists of contributions from the dedicated taxes to the System in excess of those required contributions to the Pension Accumulation, not to exceed three percent of the salaries paid during the fiscal year preceding the year in which funds are received. Upon termination a member is entitled to payment of all contributions and earnings credited to his account in the fund. The Members' Supplemental Savings as of June 30, 2006 and 2005 is \$1,515,422 and \$1,567,629, respectively. The Members' Supplemental Savings is fully funded.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

4. ACTUARIAL COST METHOD:

The Aggregate Actuarial Cost Method was used to calculate the funding requirements of the Registrars of Voters Employees' Retirement System for the fiscal years ended June 30, 2006 and 2005. This funding method allocates pension costs as a level percentage of payroll over the future-working lifetime of current members. The Aggregate Actuarial Cost Method produces no unfunded accrued liability. Under the Aggregate Actuarial Cost Method, actuarial gains and losses are spread over future normal costs. Based on actual experience, future normal costs will increase or decrease.

5. REQUIRED SUPPLEMENTARY SCHEDULES:

Information in the required supplemental schedules is designed to provide information about the System's progress made in accumulating sufficient assets to pay benefits and is presented on pages 26-27.

6. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS:

Following are the components of the System's deposits, cash equivalents and investments at June 30, 2006 and 2005:

2006

	Retirement System <u>Trust Fund</u>	Members' Supplemental Savings <u>Trust Fund</u>	<u>Total</u>
Deposits (bank balance)	\$ 1,535,151	\$ --	\$ 1,535,151
Cash equivalents	1,622,515	141,464	1,763,979
Investments	<u>51,410,222</u>	<u>1,363,711</u>	<u>52,773,933</u>
	<u>\$ 54,567,888</u>	<u>\$ 1,505,175</u>	<u>\$ 56,073,063</u>

2005

	Retirement System <u>Trust Fund</u>	Members' Supplemental Savings <u>Trust Fund</u>	<u>Total</u>
Deposits (bank balance)	\$ 1,174,756	\$ --	\$ 1,174,756
Cash equivalents	1,960,635	142,157	2,102,792
Investments	<u>48,255,086</u>	<u>1,416,458</u>	<u>49,671,544</u>
	<u>\$ 51,390,477</u>	<u>\$ 1,558,615</u>	<u>\$ 52,949,092</u>

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

6. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Deposits:

The System's bank deposits were entirely covered by Federal depository insurance and pledged collateral held in the name of the System.

Cash Equivalents:

Cash equivalents consist of a money market fund. The funds are held and managed by the Retirement System's custodian bank and are held in the name of the Retirement System.

Investments:

Statutes authorize the System to invest under the Prudent-Man Rule. The Prudent-Man Rule shall require each fiduciary of a retirement system and each board of trustees acting collectively on behalf of the System to act with care, skill, prudence and diligence under the circumstances prevailing that a prudent institutional investor acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. Notwithstanding the Prudent-Man Rule, the System shall invest more than fifty-five percent of the total portfolio in equities, so long as not more than sixty-five percent of the total portfolio is invested in equities and at least ten percent of the total portfolio is invested in one or more index funds which seek to replicate the performance of the chosen index or indices. However, the System's internal investment policy states that the System shall not invest more than fifty percent of the total portfolio in common stock.

Concentration of Credit Risk:

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of the System's investment in a single issuer.

The System's investment policy states that no more than 7% of the total stock portfolio value at market may be invested in the common stock of any one organization. In addition, exposure to any single industry shall not exceed 20% of the portfolio at market value. Also, investments in one issuer shall not exceed 5% of any fixed income portfolio's market value unless otherwise authorized by the board. The System is in compliance with their concentration of credit risk policy.

Credit Risk:

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Following are the credit risk ratings of the System's investments in long-term debt securities as of June 30, 2006 and 2005 (U.S. Government and Agency obligations totaling \$8,945,420 and \$9,193,202 as of June 30, 2006 and 2005, respectively, are not rated):

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

6. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Credit Risk: (Continued)

Below is a schedule of bonds with their applicable ratings.

2006

	Corporate Bonds	Federal Home Loan Bank (FHLB)	Federal Home Loan Mortgage Corporation (FHLMC)	Federal National Mortgage Association (FNMA)	Government National Mortgage Association (GNMA)	U.S. Treasury Notes	Total
AAA	\$ 505,745	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 505,745
AA	497,115	--	--	--	--	--	497,115
AA-	898,668	--	--	--	--	--	898,668
A+	2,288,832	--	--	--	--	--	2,288,832
A	2,540,030	--	--	--	--	--	2,540,030
A-	1,744,734	--	--	--	--	--	1,744,734
BBB+	1,516,685	--	--	--	--	--	1,516,685
BBB	2,398,031	--	--	--	--	--	2,398,031
BBB-	1,276,281	--	--	--	--	--	1,276,281
Not Rated	--	<u>397,367</u>	<u>4,007,180</u>	<u>4,095,189</u>	<u>237,268</u>	<u>208,416</u>	<u>8,945,420</u>
	<u>\$ 13,666,121</u>	<u>\$ 397,367</u>	<u>\$ 4,007,180</u>	<u>\$ 4,095,189</u>	<u>\$ 237,268</u>	<u>\$ 208,416</u>	<u>\$ 22,611,541</u>

2005

	Corporate Bonds	Federal Home Loan Bank (FHLB)	Federal Home Loan Mortgage Corporation (FHLMC)	Federal National Mortgage Association (FNMA)	Government National Mortgage Association (GNMA)	U.S. Treasury Notes	Total
AAA	\$ 545,310	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 545,310
AA-	1,066,470	--	--	--	--	--	1,066,470
A+	2,479,013	--	--	--	--	--	2,479,013
A	2,304,452	--	--	--	--	--	2,304,452
A-	1,589,450	--	--	--	--	--	1,589,450
BBB+	2,103,147	--	--	--	--	--	2,103,147
BBB	1,858,623	--	--	--	--	--	1,858,623
BBB-	1,402,642	--	--	--	--	--	1,402,642
BB+	474,650	--	--	--	--	--	474,650
Not Rated	--	<u>50,078</u>	<u>2,893,949</u>	<u>5,438,267</u>	<u>349,341</u>	<u>461,567</u>	<u>9,193,202</u>
	<u>\$ 13,823,757</u>	<u>\$ 50,078</u>	<u>\$ 2,893,949</u>	<u>\$ 5,438,267</u>	<u>\$ 349,341</u>	<u>\$ 461,567</u>	<u>\$ 23,016,959</u>

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

6. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Custodial Credit Risk:

Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, the System will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The System is not exposed to custodial risk at June 30, 2006 and 2005 for investments in the amount of \$54,537,912 and \$51,774,336, respectively, since the investments are held in the name of the System.

Interest Rate Risk:

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. As of June 30, 2006 and 2005, the System had the following investments in long-term debt securities and maturities:

2006

	<u>Less than 1 Year</u>	<u>1 - 5 Years</u>	<u>6 - 10 Years</u>	<u>Greater than 10 Years</u>	<u>Fair Value</u>
Corporate Bonds	\$ <u>---</u>	\$ <u>5,160,758</u>	\$ <u>6,949,113</u>	\$ <u>1,556,250</u>	\$ <u>13,666,121</u>
Governmental Bonds:					
U S Treasury Notes	\$ --	\$ 208,416	\$ --	\$ --	\$ 208,416
FHLB	--	397,368	--	--	397,368
FHLMC	--	146,672	253,875	3,606,633	4,007,180
FNMA	201,096	--	--	3,894,093	4,095,189
GNMA	--	--	--	237,267	237,267
Total Governmental Bonds	\$ <u>201,096</u>	\$ <u>752,456</u>	\$ <u>253,875</u>	\$ <u>7,737,993</u>	\$ <u>8,945,420</u>

2005

	<u>Less than 1 Year</u>	<u>1 - 5 Years</u>	<u>6 - 10 Years</u>	<u>Greater than 10 Years</u>	<u>Fair Value</u>
Corporate Bonds	\$ <u>---</u>	\$ <u>3,832,762</u>	\$ <u>8,195,960</u>	\$ <u>1,795,035</u>	\$ <u>13,823,757</u>
Governmental Bonds:					
U S Treasury Notes	\$ 461,567	\$ --	\$ --	\$ --	\$ 461,567
FHLB	--	50,078	--	--	50,078
FHLMC	--	149,156	--	2,744,793	2,893,949
FNMA	149,743	201,602	--	5,086,922	5,438,267
GNMA	--	--	--	349,341	349,341
Total Governmental Bonds	\$ <u>611,310</u>	\$ <u>400,836</u>	\$ <u>---</u>	\$ <u>8,181,056</u>	\$ <u>9,193,202</u>

The System has no formal policy regarding interest rate risk.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

6. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Interest Rate Risk: (Continued)

The System invests in mortgage backed securities. These securities are based on cash flows from interest payments on underlying mortgages. Therefore, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates.

Foreign Currency Risk:

Foreign currency risk is defined as the risk that changes in exchange rates will adversely affect the fair value of an investment. At June 30, 2006 and 2005, the System had no exposure to foreign currency risk.

7. FURNITURE AND EQUIPMENT:

Change in furniture and equipment consist of the following:

	<u>2006</u>	<u>2005</u>
Balance -- Beginning of year	\$ 24,457	\$ 38,720
Additions	--	2,013
Deletions	<u>--</u>	<u>(16,276)</u>
	24,457	24,457
Less accumulated depreciation	<u>(21,926)</u>	<u>(20,618)</u>
Balance -- End of year	\$ <u>2,531</u>	\$ <u>3,839</u>

Depreciation expense for the years ended June 30, 2006 and 2005 was \$1,308 and \$1,275, respectively.

8. USE OF ESTIMATES:

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

9. TAX QUALIFICATION:

Beginning January 1, 2005, the Retirement System Trust Fund became a qualified plan under IRS Code Section 401(a).

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
STATEMENT OF CHANGES IN RESERVE BALANCES
RETIREMENT SYSTEM TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2006

	Annuity Savings	Annuity Reserve	Deferred Retirement Option Plan	Pension Accumulation	Surplus (Unfunded) Actuarial Accrued Liability	Total
BALANCE - BEGINNING	\$ 4,141,316	\$ 16,454,333	\$ 2,093,860	\$ 26,775,454	\$ 2,335,758	\$ 51,800,721
REVENUES AND TRANSFERS:						
Employee contributions	565,350	-	-	-	-	565,350
Employer contributions	-	-	-	1,019,581	-	1,019,581
Net investment income (loss)	-	-	-	2,687,742	-	2,687,742
Parish tax collector	-	-	-	1,406,468	-	1,406,468
Miscellaneous income	-	-	-	16,936	-	16,936
Pensions transferred from Annuity Reserve	-	-	625,412	-	-	625,412
Transfer from Annuity Savings	-	362,364	-	-	-	362,364
Actuarial transfer	-	4,449,265	-	-	-	4,449,265
Total revenues	565,350	4,811,629	625,412	5,130,727	-	11,133,118
EXPENDITURES AND TRANSFERS:						
Refunds to members	27,226	-	-	-	-	27,226
Transfer to Annuity Reserve	362,364	-	-	-	-	362,364
Pensions paid	-	2,173,195	309,347	-	-	2,482,542
Administrative expense	-	-	-	141,067	-	141,067
Depreciation expense	-	-	-	1,308	-	1,308
Pensions transferred to DROP	-	625,412	-	-	-	625,412
Actuarial transfer	-	-	-	3,478,044	971,221	4,449,265
Total expenditures	389,590	2,798,607	309,347	3,620,419	971,221	8,089,184
NET INCREASE (DECREASE)	175,760	2,013,022	316,065	1,510,308	(971,221)	3,043,934
BALANCE - ENDING	\$ 4,317,076	\$ 18,467,355	\$ 2,409,925	\$ 28,285,762	\$ 1,364,537	\$ 54,844,655

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
STATEMENT OF CHANGES IN RESERVE BALANCES
RETIREMENT SYSTEM TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2005

	Annuity Savings	Annuity Reserve	Deferred Retirement Option Plan	Pension Accumulation	Surplus (Unfunded) Actuarial Accrued Liability	Total
BALANCE - BEGINNING	\$ 4,058,456	\$ 15,484,661	\$ 1,691,760	\$ 24,449,170	\$ 2,436,767	\$ 48,120,814
REVENUES AND TRANSFERS:						
Employee contributions	533,915	-	-	-	-	533,915
Employer contributions	-	-	-	682,994	-	682,994
Net investment income (loss)	-	-	-	3,300,299	-	3,300,299
Parish tax collector	-	-	-	1,343,171	-	1,343,171
Miscellaneous income	-	-	-	8,438	-	8,438
Pensions transferred from Annuity Reserve	-	-	402,100	-	-	402,100
Transfer from Annuity Savings	-	423,886	-	-	-	423,886
Actuarial transfer	-	2,959,091	-	-	-	2,959,091
Total revenues	533,915	3,382,977	402,100	5,334,902	-	9,653,894
EXPENDITURES AND TRANSFERS:						
Refunds to members	27,169	-	-	-	-	27,169
Transfer to Annuity Reserve	423,886	-	-	-	-	423,886
Pensions paid	-	2,011,205	-	-	-	2,011,205
Administrative expense	-	-	-	149,261	-	149,261
Depreciation expense	-	-	-	1,275	-	1,275
Pensions transferred to DROP	-	402,100	-	-	-	402,100
Actuarial transfer	-	-	-	2,858,082	101,009	2,959,091
Total expenditures	451,055	2,413,305	-	3,008,618	101,009	5,973,987
NET INCREASE (DECREASE)	82,860	969,672	402,100	2,326,284	(101,009)	3,679,907
BALANCE - ENDING	\$ 4,141,316	\$ 16,454,333	\$ 2,093,860	\$ 26,775,454	\$ 2,335,758	\$ 51,800,721

REGISTRARS OF VOTERS EMPLOYEES' RETIRMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULES OF INVESTMENTS
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005

	<u>Par Value</u>	<u>2006 Original Cost Value</u>	<u>Market Value</u>
BONDS			
Government:			
Federal Home Loan Mortgage Corporation	\$ 3,914,529	\$ 4,025,826	\$ 3,860,508
Federal National Mortgage Association	3,952,907	4,061,301	3,894,093
Government National Mortgage Association	<u>238,846</u>	<u>247,729</u>	<u>237,268</u>
Total Government Bonds	8,106,282	8,334,856	7,991,869
Corporate Bonds	<u>13,625,000</u>	<u>14,504,109</u>	<u>13,666,121</u>
TOTAL BONDS	<u>\$ 21,731,282</u>	<u>\$ 22,838,965</u>	<u>\$ 21,657,990</u>

	<u>Original Cost Value</u>	<u>Market Value</u>
STOCK		
Common stock	<u>\$ 19,348,502</u>	<u>\$ 21,790,332</u>
MUTUAL FUND		
International Equity Fund	\$ 4,081,047	\$ 6,322,899
Index Equity Fund	<u>1,526,756</u>	<u>1,639,002</u>
TOTAL MUTUAL FUNDS	<u>\$ 5,607,803</u>	<u>\$ 7,961,901</u>

	<u>Par Value</u>	<u>2005 Original Cost Value</u>	<u>Market Value</u>
BONDS			
Government:			
Federal Home Loan Mortgage Corporation	\$ 2,686,919	\$ 2,772,552	\$ 2,744,793
Federal National Mortgage Association	4,974,556	5,119,316	5,086,922
Government National Mortgage Association	<u>338,289</u>	<u>350,870</u>	<u>349,341</u>
Total Government Bonds	7,999,764	8,242,738	8,181,056
Corporate Bonds	<u>12,775,000</u>	<u>13,724,093</u>	<u>13,823,757</u>
TOTAL BONDS	<u>\$ 20,774,764</u>	<u>\$ 21,966,831</u>	<u>\$ 22,004,813</u>

	<u>Original Cost Value</u>	<u>Market Value</u>
STOCK		
Common stock	<u>\$ 17,533,566</u>	<u>\$ 20,298,931</u>
MUTUAL FUND		
International Equity Fund	\$ 3,287,754	\$ 4,442,081
Index Equity Fund	<u>1,496,077</u>	<u>1,509,261</u>
TOTAL MUTUAL FUNDS	<u>\$ 4,783,831</u>	<u>\$ 5,951,342</u>

REGISTRARS OF VOTERS EMPLOYEES' RETIRMENT SYSTEM
MEMBERS' SUPPLEMENTAL SAVINGS TRUST FUND
SUPPLEMENTARY INFORMATION
SCHEDULES OF INVESTMENTS
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005

2006			
	<u>Par Value</u>	<u>Original Cost Value</u>	<u>Market Value</u>
BONDS			
Government:			
U.S. Treasury Notes	\$ 212,345	\$ 217,940	\$ 208,415
Federal Home Loan Bank	400,000	400,000	397,367
Federal Home Loan Mortgage Corp.	150,000	152,520	146,672
Federal National Mortgage Association	203,000	203,610	201,097
Total Government	<u>\$ 965,345</u>	<u>\$ 974,070</u>	<u>\$ 953,551</u>

	<u>Original Cost Value</u>	<u>Market Value</u>
MUTUAL FUNDS		
Pooled equity funds	<u>\$ 414,399</u>	<u>\$ 410,160</u>

2005			
	<u>Par Value</u>	<u>Original Cost Value</u>	<u>Market Value</u>
BONDS			
Government:			
U.S. Treasury Notes	\$ 460,227	\$ 467,483	\$ 461,567
Federal Home Loan Bank	50,000	50,000	50,078
Federal Home Loan Mortgage Corp.	150,000	152,520	149,156
Federal National Mortgage Association	353,000	356,328	351,345
Total Government	<u>\$ 1,013,227</u>	<u>\$ 1,026,331</u>	<u>\$ 1,012,146</u>

	<u>Original Cost Value</u>	<u>Market Value</u>
MUTUAL FUND		
Pooled equity fund	<u>\$ 409,455</u>	<u>\$ 404,312</u>

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
 SUPPLEMENTARY INFORMATION
 SCHEDULES OF ADMINISTRATIVE EXPENSES
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
PERSONAL SERVICES:		
Staff salaries	\$ 50,227	\$ 46,751
Board member-per diem	3,000	3,150
Payroll taxes	1,031	1,412
	<u>54,258</u>	<u>51,313</u>
PROFESSIONAL SERVICES:		
Accountant	27,835	32,379
Actuarial	28,860	28,810
Legal	5,200	4,114
	<u>61,895</u>	<u>65,303</u>
COMMUNICATIONS:		
Telephone	2,239	2,145
Travel	7,665	17,266
	<u>9,904</u>	<u>19,411</u>
OTHER:		
Bank charges	2,339	1,587
Computer expense	97	436
Fidelity bond	560	-
Membership dues	400	400
Miscellaneous	436	441
Office expense	9,575	7,725
Office rent	1,016	2,080
Post office box rental	72	68
Utilities	515	497
	<u>15,010</u>	<u>13,234</u>
TOTAL EXPENSES	<u>\$ 141,067</u>	<u>\$ 149,261</u>

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF PER DIEM PAID TRUSTEES
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005

<u>TRUSTEE</u>	<u>2006</u>		<u>2005</u>	
	<u>NUMBER OF MEETINGS</u>	<u>AMOUNT</u>	<u>NUMBER OF MEETINGS</u>	<u>AMOUNT</u>
Jimmie Hattaway	7	\$ 525	7	\$ 600
John Moreau	7	525	6	525
Robert Poche	7	525	7	600
Angela Quienalty	1	75	--	-
Linda Rodrigue	6	450	7	600
John Russell	6	450	1	75
Ted Soileau	--	-	5	450
Deborah Waskom	6	<u>450</u>	4	<u>300</u>
		<u>\$ 3,000</u>		<u>\$ 3,150</u>

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS - EMPLOYER AND OTHER SOURCES
JUNE 30, 2001 THROUGH 2006

<u>Fiscal Year</u>	<u>Actuarial Required Contributions Employer</u>	<u>Actuarial Required Contributions Other Sources</u>	<u>Percent Contributed Employer</u>	<u>Percent Contributed Other Sources</u>
2001	\$ -	\$ 985,727	- %	100.12 %
2002	-	1,000,660	-	99.90
2003	204,712	1,189,227	-	99.79
2004	594,443	1,258,294	41.6	100.10
2005	884,379	1,323,700	77.2	101.47
2006	988,202	1,343,284	103.17	104.70

For the years ending June 30, 2003 through 2006, the actuarially required contribution differs from actual contributions made due to state statute that requires the contribution rate be calculated and set two years prior to the year effective.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
 SUPPLEMENTARY INFORMATION
 NOTES TO SCHEDULE OF CONTRIBUTIONS
JUNE 30, 2001 THROUGH 2006

The information presented in the Schedule of Contributions - Employer and Other was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	June 30, 2006
Actuarial Cost Method	Aggregate Actuarial Cost Method
Asset Valuation Method	Based on the market value adjusted to smooth realized and unrealized gains (losses) over a three year period by deferring one-third of such gains or losses accrued in the prior fiscal year and two thirds of such gains or losses accrued in the current fiscal year.
Actuarial Assumptions:	
Investment Rate of Return	8%
Projected Salary Increases	7.0% (3.25% Inflation, 3.75% Merit)
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost of living increases. Future cost of living increases are only granted if specific target ratios are met and excess interest earnings are available to fund the cost of the benefit increase.
Change in Actuarial Assumption/ Normal Cost	The System changed the mortality table used for disabled lives and the percentage of eligible persons who terminate and elect a deferred retirement benefit in lieu of a refund of contributions. Also, the family composition statistics were updated for the 2000 U.S. Census. As a result of the changes in actuarial assumptions, the System experienced a decrease in normal cost in the amount of \$56,380 for the year ending June 30, 2006. The System also experienced a decrease in normal cost in the amount of \$167,734 due to liability experience. The effect of the change in normal cost for the years ending subsequent to June 30, 2006 has not been determined.



DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

1340 Poydras St., Suite 2000 · New Orleans, LA 70112
(504) 586-8866

FAX (504) 525-5888
cpa@dhhmcpa.com

MICHAEL J. O'ROURKE, C.P.A.
WILLIAM G. STAMM, C.P.A.
CLIFFORD J. GIFFIN, JR., C.P.A.
DAVID A. BURGARD, C.P.A.
LINDSAY J. CALUB, C.P.A., L.L.C.
GUY L. DUPLANTIER, C.P.A.
MICHELLE H. CUNNINGHAM, C.P.A.
DENNIS W. DILLON, C.P.A.

ANN M. HARGES, C.P.A.
ROBIN A. STROHMEYER, C.P.A.

KENNETH J. BROOKS, C.P.A., ASSOCIATE

A.J. DUPLANTIER JR., C.P.A.
(1918-1985)
FELIX J. HRAPMANN, JR., C.P.A.
(1919-1990)
WILLIAM R. HOGAN, JR., C.P.A.
(1920-1996)
JAMES MAHER, JR., C.P.A.
(1921-1999)

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA C.P.A.'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

December 7, 2006

Registrars of Voters Employees'
Retirement System of Louisiana
P.O. Box 57
Jennings, LA 70546

We have audited the financial statements of Registrars of Voters Employees' Retirement System as of and for the year ended June 30, 2006, and have issued our report thereon dated December 7, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the System's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in the amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Registrars of Voters Employees' Retirement System's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Registrars of Voters Employees' Retirement System's Board of Trustees, Office of the Legislative Auditor of the State of Louisiana, and management of the System and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Hrapmann, Hogan & Maher, LLP